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Fifty-fourth session
Second Committee
Agenda item 97 (b)
Macroeconomic policy questions: financing of development, including net transfer of resources between developing and developed countries

Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Giovanni Brauzzi (Italy), on the basis of informal consultations held on draft resolution A/C.2/54/L.38

Towards a stable international financial system, responsive to the challenges of development, especially in the developing countries

The General Assembly,

Reaffirming its resolution 53/172 of 15 December 1998 on the financial crisis and its impact on growth and development, especially in the developing countries,

Noting the high-level regional meeting on the theme "Towards a stable and predictable international financial system and its relationship to social development", held in Mexico on 5 and 6 September 1999, in collaboration with the Economic Commission for Latin America and the Caribbean, in order to contribute to the process launched by the General Assembly in its resolution 53/172,

Recognizing that the increasing globalization of financial markets and capital flows have presented Governments, the multilateral financial institutions and the international community at large with new challenges and opportunities for the mobilization of adequate and more stable resources for promoting economic development and social welfare,

Stressing the importance of the provision of adequate financial resources for the development of all countries, in particular developing countries, including through public and private financial flows, international trade, official development assistance, adequate level of funding support for debt relief, in particular the agreement for an overall financing plan for the enhanced Heavily Indebted Poor Countries Initiative, as well as mobilization of domestic resources, and that the comprehensive and integrated consideration of those issues should continue in the framework of the dialogue and collaboration between the United Nations system and the Bretton Woods institutions,

99-38193 (E) 091299

Deeply concerned at the overall declining trend in official development assistance, which is a significant external resource for financing development and an important source of support to the efforts of developing countries, in particular least developed countries to create an enabling environment for eradicating poverty and tackling basic social needs, especially where private capital flows may either be inadequate or unavailable,

Emphasizing the importance of finding a durable solution to the problem of developing countries in meeting their external debt and debt-servicing obligations, in order to release resources for financing their development efforts, and in this context welcoming the Cologne initiative launched in June 1999 and the recent decisions of the International Monetary Fund and the World Bank on the enhanced Heavily Indebted Poor Countries Debt Initiative, which should provide deeper, broader and faster relief, and in this regard stressing the need for fair, equitable and transparent burden-sharing among the international public creditor community and other donor countries,

Noting the establishment of credit contingency lines by the International Monetary Fund, and the efforts to create and strengthen the regional reserves in some regions,

Expressing the need for future multilateral trade negotiations to result, *inter alia*, in increased access to markets for goods and services that are of export interest to developing countries, in particular the least developed countries, as trade is an important source of financial resources for their development efforts,

Mindful of the need that the benefits of the increasing integration of global markets should be extended to all nations and peoples, in particular to the developing countries, especially the least developed among them, and noting that while a number of developing countries have been able to take advantage of globalization of finance, not all countries have benefited from such flows as they may not be available or adequate or are too concentrated to satisfy the need of developing countries, especially the least developed among them, and therefore the need for the expansion of private capital flows while reducing risks of volatility and for broader access by developing countries to those flows,

Noting the desirability of financial regulatory frameworks so that capital mobility should benefit developing economies rather than undermine their development efforts, and noting in particular that short-term speculative capital flows, owing to their highly volatile nature, can often have negative impacts on the long-term goals of developing countries,

Regretting that the recent financial crises led to a significant slowdown in the economic growth of many developing countries and other affected countries and negative impacts in terms of social development, with the gravest impact on the most vulnerable, and in this context noting that while some of the most visible effects of the crises are being overcome in some regions and sectors, continued action on a wide range of reforms needs to be taken to strengthen the international financial system and to adopt as well as implement economic and legal frameworks while reaffirming the need for continued efforts of individual economies necessary to avoid the repetition of such crises,

Recognizing that the recent financial crises have exposed weaknesses in the international financial system, and underlining the urgent need to continue to work on a wide range of reforms for a strengthened and more stable and international financial system, with a view to enabling it to deal more effectively and in a timely manner with the new challenges of development in the context of global financial integration,

Emphasizing that the United Nations, in fulfilling its role in the promotion of development, in particular of developing countries, plays an important role in the international efforts to build up the necessary international consensus on the continuation of a wide range of reforms needed for a strengthened and more stable international financial

system responsive to the challenges of development, especially in the developing countries, and to the promotion of economic and social equity in the global economy,

1. *Takes note with appreciation* of the report of the Secretary-General,[1] the note by the United Nations Conference on Trade and Development entitled "The financial crisis and its impact on growth and development, especially in the developing countries",[2] the report of the Executive Committee on Economic and Social Affairs entitled "Towards a new international financial architecture", the *World Economic and Social Survey, 1999*[3] and the *Trade and Development Report, 1999*;[4]

2. *Emphasizes* the need to renew national, regional and international efforts, in order to promote international financial stability, and to this end to improve early warning, prevention and response capabilities for dealing with the emergence and spread of financial crisis in a timely manner, taking a comprehensive and long-term perspective, while remaining responsive to the challenges of development and the protection of the most vulnerable countries and social groups;

3. *Stresses* the importance of having an enabling international environment through strong cooperative efforts by all countries and institutions to promote global economic development, and to this end calls upon all countries, in particular major industrialized countries, which have significant weight in influencing world economic growth, to adopt and pursue coordinated policies conducive to world economic growth and international financial stability and the promotion of a favourable external economic environment for a widespread economic recovery, including the full recovery of crisis-affected countries;

4. *Recognizes* the importance of international financial stability, and in this context invites developed countries, in particular major industrialized countries, when formulating their macroeconomic policies, to take into account the priorities of growth and development, in particular of developing countries,

5. *Also stresses* the importance at the national level of strong domestic institutions to promote the achievement of growth and development, including through sound macroeconomic policies and policies aimed at strengthening the regulatory and supervisory systems of the financial and banking sectors, including appropriate institutional arrangements both in the countries of origin and destination of international capital flows;

6. *Recognizes* the importance of accelerating the growth and development prospects of least developed countries, which remain the poorest and most vulnerable of the international community, and calls upon development partners to carry on their efforts to increase official development assistance and their efforts aimed at strengthened debt relief, improved market access and enhanced balance-of-payment support;

7. *Stresses* the need for a continued and constructive dialogue in the relevant institutions and forums among developed and developing countries, including at the regional and subregional levels, on the need for the international community to continue to work together in formulating approaches to promote financial stability and on issues related to strengthening and reforming the international financial system, and in this context reiterates the need for broadening and strengthening the participation of developing countries in the international economic decision-making process in order to promote more efficient

[1] A/54/471.

[2] A/54/512/Add.1.

[3] United Nations publication, Sales No. E.99.II.C.1.

[4] United Nations publication, Sales No. E.99.II.D.1.

international financial institutions and arrangements in which all relevant interests can be effectively represented;

8. *Encourages* the deepening of the dialogue between the Economic and Social Council and the Bretton Woods institutions in order to promote the wide range of reforms needed in international financial architecture that reflects the global interests of the international community, and in this regard recommends that their next high-level meeting give priority to the consideration of the modalities to achieve a strengthened and more stable international financial system responsive to the challenges of development, especially in the developing countries, and to the promotion of economic and social equity in the global economy;

9. *Emphasizes* that the international financial institutions, in providing policy advice and supporting adjustment programmes, should ensure that they are sensitive to the specific circumstances of concerned countries and to the special needs of developing countries and work towards the best possible outcomes in terms of growth and development, including poverty eradication, including through the protection of effective social expenditure determined by each country in accordance with its national economic and social development strategies;

10. *Stresses* the need to further define the role and improve the capacities of the international, regional and subregional financial institutions with regard to the prevention, management and resolution in a timely and effective manner of international financial crisis, and in this regard encourages efforts to enhance the stabilizing role of regional and subregional financial institutions and arrangements in supporting the management of monetary and financial issues, in accordance with the mandate of each institution, and requests the regional commissions to provide their views on this matter to the General Assembly at its fifty-fifth session through their regular reporting to the Economic and Social Council;

11. *Emphasizes* the need to further develop early warning capacities and modalities to prevent or, as the case may be, to take timely action to address the threat of financial crisis, and in this regard encourages the International Monetary Fund and other relevant international and regional institutions to continue their efforts to contribute to this process;

12. *Underscores* the need for the enhancement of worldwide financial stability, including through the provision to the international financial institutions, in particular the International Monetary Fund, of adequate resources to provide emergency financing in a timely manner to countries affected by financial crisis;

13. *Underlines* that the opening of the capital account must be carried out in an orderly, gradual and well-sequenced manner, keeping its pace in line with the strengthening of the ability of countries to cope with its consequences, underscores the crucial importance of solid domestic financial systems and of an effective prudential framework, invites the International Monetary Fund, the World Bank and relevant international regulatory bodies to contribute to this process, and in this context recognizes that all countries have autonomy in the management of capital accounts in accordance with their own national priorities and needs;

14. *Reaffirms* the need to strengthen international and national financial systems through a more effective national, regional and international surveillance of both the public and private sectors, based, *inter alia*, on the improvement of the availability and transparency of information, as appropriate, and possible additional regulatory and voluntary disclosure measures concerning financial market participants, including international institutional investors, in particular concerning highly leveraged operations, and in this

context reaffirms the importance of continuing to work in the relevant forums on questions related to surveillance, transparency and disclosure, regulation and supervision;

15. *Stresses* the importance of strengthened collaboration between the World Bank and the International Monetary Fund in specific areas where collaboration is needed, such as the financial sector, while recognizing the specific mandates of the two institutions, and also stresses the need for institutions dealing with financial crises to keep in mind the overall objective of facilitating long-term development;

16. *Calls* for the renewal of national, regional and international efforts to promote the greater involvement of the private sector in the prevention and resolution of financial crisis, and in this context underscores the importance of a more equitable distribution of the cost of adjustments between the public and private sectors and between debtors, creditors and investors, and requests the United Nations Conference on Trade and Development to inform the General Assembly at its fifty-fifth session on the work it has undertaken on this matter;

17. *Reiterates* its call upon the international community to pursue national, regional and international efforts to contribute to minimizing negative impacts of excessive volatility of global financial flows, reiterates in this context the need to consider the establishment of regulatory frameworks for short-term capital flows and trade in currencies, and invites the International Monetary Fund and the relevant regulatory bodies to contribute to this process;

18. *Underlines* the importance that sovereign risk assessments made by private sector agencies be based on objective and transparent parameters, and in this regard invites the relevant national, regional and international regulatory bodies to contribute to the development of appropriate standards to ensure that risk-assessment agencies provide complete and accurate information on a timely and regular basis;

19. *Encourages* the continuing efforts of the World Bank and regional development banks to help Governments to address the social consequences of crisis, in particular through the strengthening of social safety nets in developing countries, particularly for the most vulnerable groups, without losing sight of the long-term goals of development;

20. *Requests* the Secretary-General to support, including through collaboration with the regional commissions and regional and subregional initiatives, the ongoing work on the identification of measures that will contribute to a more stable and predictable international financial system responsive to the challenges of development, in particular of developing countries, and in this regard requests the Secretary-General to make available the results of those exercises to the General Assembly at its fifty-fifth session;

21. *Also requests* the Secretary-General, in close cooperation with all relevant entities of the United Nations, including the United Nations Conference on Trade and Development and the regional commissions, within their respective mandates, and in consultation with the Bretton Woods institutions, to report to the General Assembly at its fifty-fifth session on the implementation of the present resolution under the sub-item, "Financing of development, including net transfer of resources between developed and developing countries", with an analysis of the current trend in global financial flows, and of recommendations for an agenda for a strengthened and more stable international financial system responsive to the priorities of growth and development, in particular of developing countries and to the promotion of economic and social equity in the global economy;

22. *Requests* the President of the General Assembly to transmit the present resolution to the Board of Directors of the World Bank and the International Monetary Fund, in order to bring it to their attention as an input to their discussions on these matters.

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Agenda item 99 (f)
Sustainable development and international economic cooperation: implementation of the Programme of Action for the Least Developed Countries for the 1990s

Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Alexandru Niculescu (Romania), on the basis of informal consultations held on draft resolution A/C.2/54/L.39

Implementation of the Programme of Action for the Least Developed Countries for the 1990s

The General Assembly,

Recalling its resolution 52/187 of 18 December 1997, in which it decided to convene the Third United Nations Conference on the Least Developed Countries at a high level in 2001, as well as its resolution 53/182 of 15 December 1998,

Noting the progress made in the preparatory process for the Third United Nations Conference on the Least Developed Countries,

Taking note of the declarations of the twenty-third annual meeting of the Ministers for Foreign Affairs of the Group of 77,[1] held in New York on 24 September 1999, and the Ninth Ministerial Meeting of the Least Developed Countries,[2] held in New York on 29 September 1999,

1. *Recalls* that the Third United Nations Conference on the Least Developed Countries will convene in 2001, welcomes the offer of the European Union to host the conference in Brussels, and decides to accept the offer;

2. *Decides* that the meeting of the intergovernmental preparatory committee envisaged in paragraph 4 of its resolution 53/182 will be organized in New York in two parts, in the third quarter of 2000 and the first quarter of 2001, each for five working days;

[1] A/54/432, annex I.
[2] A/C.2/54/3, annex.

99-38679 (E) 131299

3. *Also decides* that the Secretary-General of the Conference will organize the three expert-level preparatory meetings provided for in paragraph 4 of its resolution 53/182 at venues and for durations deemed most appropriate in consultation with Member States;

4. *Requests* the Secretary-General of the Conference to organize regional-level preparatory events in collaboration with the regional commissions and other relevant regional and subregional organizations, as appropriate;

5. *Reiterates* its request to the Secretary-General of the Conference, in consultation with Member States and in cooperation with relevant organizations and agencies, to organize well-focused sectoral, thematic and country-specific round-table meetings, as appropriate, during the Conference to contribute to its work;

6. *Emphasizes* the importance of country-level preparations;

7. *Notes with appreciation*, in this regard, the initiative of the European Union to assist the least developed countries in their preparations at the country level through the assistance of their representatives in those countries, invites the World Bank, the United Nations Development Programme and all other relevant bodies and agencies of the United Nations system to provide support to country-level preparations through their field offices in the least developed countries, and calls upon the development partners to support this preparatory process;

8. *Urges* the organizations involved in the implementation of the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building to Support Least Developed Countries in their Trade and Trade-Related Activities to intensify their support for the efforts to assist those countries to enhance their export supply capacity and trade opportunities and to integrate them into the multilateral trading system, and requests the Secretary-General of the Conference to ensure that information on the progress in the implementation of the Framework is included in the reports to the meetings of the preparatory committee and to the Conference itself;

9. *Calls upon* the least developed countries, together with their development partners, in particular the United Nations Development Programme and the World Bank, as appropriate, to link the forthcoming round-table and consultative group meetings to the country-level preparatory process of the Conference and to ensure that those meetings make substantive contributions to the Conference;

10. *Requests* the Administrator of the United Nations Development Programme, in his capacity as convenor of the United Nations Development Group, to ensure the full involvement of United Nations resident coordinators and country teams in the least developed countries in the preparations for the Conference, in particular at the country level;

11. *Calls upon* the Secretary-General, in consultation with the Secretary-General of the Conference, to convene inter-agency meetings, as necessary, to ensure the full mobilization and coordination of all relevant organs, organizations and bodies of the United Nations system, as well as other relevant institutions, for the purpose of carrying out preparations for and providing follow-up to the Conference;

12. *Invites* the Secretary-General of the Conference to make arrangements, on the basis of consultations with Member States, to facilitate the broad-based involvement of civil society, including non-governmental organizations and the private sector, in the preparatory process and the Conference and in its follow-up;

13. *Requests* the Secretary-General, with the assistance of concerned organizations and bodies of the United Nations system, including the Department of Public Information of the Secretariat, to take the necessary measures to intensify their public information efforts

and other appropriate initiatives to enhance public awareness in favour of the Conference, including by highlighting its objectives and its significance;

14. *Decides* to defray the cost of participation of two government representatives from each least developed country in the meetings of the intergovernmental preparatory committee and the Conference itself through the use of extrabudgetary resources, and, in the event that those resources prove to be insufficient, requests the Secretary-General to consider all other options, including, *inter alia*, the use of unspent balances from the regular budget for the biennium 1996-1997, as an exceptional measure;

15. *Calls upon* donor countries to provide financial support for the participation of the least developed countries in both the preparatory process and the conference itself, and welcomes efforts already made to this effect;

16. *Requests* the Secretary-General, in consultation with the Secretary-General of the United Nations Conference on Trade and Development and Member States, to make necessary arrangements, through redeployment and the use of other resources at their disposal, for the substantial strengthening of the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries, through the provision of sufficient staff and necessary resources, with a view to enabling it to organize effectively and efficiently the Third United Nations Conference on the Least Developed Countries and the follow-up to its outcome, while satisfactorily carrying out its mandates relating to the least developed, landlocked and small island developing countries;

17. *Also requests* the Secretary-General to submit a report to the General Assembly at its fifty-fifth session on the state of preparations for the Third United Nations Conference on the Least Developed Countries, taking into account the consideration of the matter at the forty-seventh session of the Trade and Development Board;

18. *Decides* that the Programme of Action for the Least Developed Countries for the 1990s will continue to provide the framework for national and international action for least developed countries until the adoption of the next programme of action at the Third United Nations Conference on the Least Developed Countries, and, in this regard, requests the Secretary-General to continue to give high priority to the implementation of the present and future programmes of action for the least developed countries on a system-wide basis and in the context of the follow-up to all major United Nations conferences and summits as well as all forthcoming events, including, *inter alia*, the tenth session of the United Nations Conference on Trade and Development, the preparatory process for and the high-level international intergovernmental consideration of financing for development and the Millennium Assembly;

19. *Decides* to include at its fifty-fifth session an agenda item entitled "Third United Nations Conference on the Least Developed Countries".

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Agenda items 99 (f) and 121

Sustainable development and international economic cooperation: implementation of the Programme of Action for the Least Developed Countries for the 1990s

Proposed programme budget for the biennium 2000-2001

Programme budget implications of draft resolution A/C.2/54/L.73

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

A. Requests contained in the draft resolution

1. Under the terms of the following operative paragraphs of draft resolution A/C.2/54/L.73, the General Assembly would:

> "1. *Recalls* that the Third United Nations Conference on the Least Developed Countries will be convened in the year 2001, and in this regard welcomes the offer of the European Union to host the conference at Brussels and decides to accept the offer;
>
> 2. *Decides also* that the meeting of the intergovernmental preparatory committee envisaged in paragraph 4 of its resolution 53/182 will be organized in New York in two parts, in the third quarter of 2000 and the first quarter of 2001, each for five working days;
>
> ...
>
> 4. *Requests* the Secretary-General of the Conference to organize regional-level preparatory events in collaboration with the regional commissions and other relevant regional and subregional organizations, as appropriate;
>
> ...
>
> 13. *Requests* the Secretary General of the United Nations, with the assistance of concerned organizations and bodies of the United Nations system, including the Department of Public Information of the Secretariat, to take necessary measures to intensify their public information efforts and other appropriate initiatives to enhance public awareness in favour of the Conference, including by &phighlighting its objectives and its significance;
>
> 14. *Decides* to defray the cost of participation of two government representatives from each least developed country in the intergovernmental preparatory committee meetings and the Conference itself through the use of extrabudgetary resources and, should those resources prove to be insufficient, requests the Secretary-General to consider all other

99-38685 (E) 131299

options including, the use of unspent balances from the regular budget for the biennium 1996-1997, as an exceptional measure;

...

16. *Requests* the Secretary-General of the United Nations, in consultation with the Secretary-General of the United Nations Conference on Trade and Development and Member States, to make necessary arrangements, through redeployment and using other resources at their disposal, for substantial strengthening of the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries through provision of sufficient staff and necessary resources with a view to enabling it to organize effectively and efficiently the Third United Nations Conference on the Least Developed Countries and follow-up its outcome, while carrying out adequately its mandates relating to the least developed, landlocked and small island developing countries;"

B. Relationships of proposed activities to the proposed programme budget for the 2000-2001 biennium

2. The activities arising from the above paragraphs of the draft resolution relate to programme 9 (Trade and development) of the medium-term plan for the period 1998-2001, in particular subprogramme 5 (Least developed, landlocked and island developing countries) (see A/53/6/Rev.1) and to the programme of work included under section 11.A (Trade and development) of the proposed programme budget for the biennium 2000-2001 (see A/54/6/Rev.1, vol. II), with particular reference to the same subprogramme 5. Activities arising from paragraph 13 are related to programme 23 (Public information) of the medium-term plan and section 26 (Public information) of the proposed programme budget for the biennium 2000-2001 (see A/54/6/Rev.1, vol. III).

3. In accordance with the outcome of the ninth session of the United Nations Conference on Trade and Development (UNCTAD), least developed countries constitute a cross-sectoral issue in the work of UNCTAD and sectoral issues are dealt with by the divisions of UNCTAD within their respective mandates. Subprogramme 5 also seeks to involve the full mobilization and coordination of all relevant organs and organizations in the United Nations system in support of the Programme of Action for the Least Developed Countries for the 1990s.

C. Additional requirements (paragraph by paragraph)

Paragraph 1

4. It is recalled that under the established headquarters principle, the Third United Nations Conference on the Least Developed Countries would be held at Geneva. It is, therefore, understood, in accordance with section I, paragraph 5, of General Assembly resolution 40/243, that any additional costs resulting from a change of venue of the Conference from Geneva to Brussels would be borne by the host country or in this particular instance the European Union.

Paragraph 2

5. The holding of the meeting of the intergovernmental preparatory committee in New York would constitute an exception to section I, paragraph 4, of General Assembly resolution 40/243 in which the Assembly stipulates that United Nations bodies shall plan to meet at their respective established headquarters, which in this case is Geneva. Furthermore, it is to be understood that the exact timing of the two sessions of the preparatory committee in the 2000-2001 biennium would be determined taking into account the availability of conference facilities and services and the overall calendar of meetings for the biennium in New York.

6. Furthermore, the meetings of the intergovernmental preparatory committee in New York would entail additional requirements for travel of staff from Geneva to New York to provide substantive services to the preparatory committee as follows:

Ten staff for each session (travel: $500 each; daily subsistence allowance (DSA): two Ds at $2,200 each, and eight others at $1,925 each; terminal expenses: $108 per person): $50,000

Paragraph 4

7. It is proposed to organize two regional-level preparatory events, in collaboration with the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP), respectively, at the time of the regular annual sessions of each Commission. The additional requirements relate to travel of

three staff members to each meeting to organize and provide substantive servicing to these preparatory events and miscellaneous expenses, as follows:

Three staff for each meeting (travel: $2,400 average; DSA: $150 per day for five days, including travel time; terminal expenses: $108): $20,000

Miscellaneous expenses ($2,500 per meeting): $5,000

Paragraph 13

8. It should be noted that a provision of $163,600 is proposed for information activities in connection with the Third Conference, under section 26 (Public information) of the proposed programme budget for the biennium 2000-2001 (see para. 26.140 of document A/54/6/Rev.1, vol. 3). These resources relate to the coverage of the Conference itself. In order to enhance public awareness of the Conference it is proposed to provide an additional amount of $30,000 which would be used for dissemination of information on the Conference and its outcome in local languages.

Paragraph 14

9. The cost of the participation of two government representatives from each least developed country to the two preparatory committee sessions and to the Conference itself would be met from extrabudgetary resources. The requirements are estimated to amount to $1,164,500 for the two sessions of the preparatory committee and $500,500 for the Conference. Should the extrabudgetary resources be insufficient, it is the understanding of the Secretary-General that he would be authorized to use in the first instance the remaining portion of the resources approved by the General Assembly in paragraph 2 of its resolution 53/3 for the one-time funding of the expenses of experts attending, in their personal capacity, expert meetings convened by ECA and ESCAP of the Trade and Development Board. As indicated in paragraph 16 of the annex to the report of the Secretary-General on the implementation of the activities financed from the unspent balance from the regular budget for the biennium 1996-1997 (A/54/501), total expenditures as of 30 September 1999 for the financing of experts amounted to $511,300, as against the original allocation of $1,088,000. The available balance would amount to $576,700. This amount would be sufficient to cover the cost of participation (travel, DSA and terminal expenses) of two representatives from all least developed countries to the first session of the preparatory committee in the year 2000. Should there continue to be a shortfall in the availability of extrabudgetary resources for the participation of the least developed countries representatives in the second session of the preparatory committee and the conference itself in 2001, the Secretary-General would bring that situation to the attention of the General Assembly at its fifty-fifth session for appropriate action.

10. The payment of travel to representatives of least developing countries as envisaged in paragraph 14 would imply an exception to the provisions of General Assembly resolution 1798 (XVII) of 11 December 1962, regarding the payment, out of United Nations funds, of travel and subsistence expenses to members of organs and subsidiary organs of the United Nations.

Paragraph 16

11. The proposals of the Secretary-General regarding the programme of work of UNCTAD for the biennium 2000-2001 and the related resources to carry out that programme of work, including the preparations and the holding of the Conference, are contained in sections 11.A and 21 of the proposed programme budget for the biennium 2000-2001, which is currently under consideration by the General Assembly. Within the level of resources proposed in the programme budget for that biennium, it is not possible, at this stage, to identify resources which could be redeployed in order to substantially strengthen the Office of the Special Coordinator as requested in paragraph 16. In order to implement the request in that paragraph it is proposed to provide the Office of the Special Coordinator with 48 work months of general temporary assistance (GTA) equivalent to one P-5, one P-4 and two P-3 level posts. The related resource requirements are estimated at $541,400. These resources would provide the Office of the Special Coordinator with additional capabilities to coordinate United Nations system-wide preparations for the Conference, including with the regional commissions and the Department of Economic and Social Affairs; assist and support country-level preparations for the Conference; provide advisory services to least developed and landlocked developing countries and small island developing States; support preparations of sectoral thematic reports and substantive inputs for the Conference; carry out research in support of country and regional-level preparations for least developed countries; and liaise with civil society and entities, including non-governmental organizations, the private sector, media and academia in preparation for the Conference.

12. The following table provides a summary of the additional requirements referred to in the above paragraphs:

Summary of additional requirements

(Thousands of United States dollars)

Paras.	*GTA*	*Travel of staff*	*Public info.*	*Misc.*	*Total*
2		50.0			50.0
4		20.0		5.0	25.0
13			30.0		30.0
16	541.4				541.4
Total	**541.4**	**70.0**	**30.0**	**5.0**	**646.4**

D. Potential for absorption

13. No provision was included in the proposed programme budget for the biennium 2000-2001 for the above-mentioned additional requirements.

E. Contingency fund

14. It will be recalled that under the procedures established by the General Assembly in its resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987, a contingency fund is established for each biennium to accommodate additional expenditures derived from legislative mandates not provided for in the proposed programme budget. Under this procedure, if additional expenditures are proposed that exceed the resources available from the contingency fund, the activities concerned can be implemented only through redeployment of resources from low-priority areas or modifications of existing activities. Otherwise, such additional activities will have to be deferred to a later biennium.

15. No activities could be identified, at this stage, for termination, deferral, curtailment or modification under sections 11.A (Trade and development) and 26 (Public information) of the proposed programme budget for the biennium 2000-2001 in order to accommodate the additional requirements of $646,400 referred to in the above table.

16. Should the General Assembly adopt draft resolution A/C.2/54/L.73, additional provisions would be required over and above the resources included in the proposed programme budget for the biennium 2000-2001, as follows: $616,400 under section 11.A, and $30,000 under section 26. These provisions would represent a charge against the contingency fund and as such would require a related additional appropriation.

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Macroeconomic policy questions: high-level international intergovernmental consideration of financing for development

Draft resolution submitted by the Chairman of the Committee, Mr. Roble Olhaye (Djibouti) on the basis of informal consultations held on draft resolution A/C.2/54/L.25

High-level international intergovernmental consideration of financing for development

The General Assembly,

Recalling its resolutions 52/179 of 18 December 1997 and 53/173 of 15 December 1998,

Taking note of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development,[1]

Taking note of Economic and Social Council resolution 1999/51 of 29 July 1999 on the restructuring and revitalization of the United Nations in the economic, social and related fields and cooperation between the United Nations and the Bretton Woods institutions,

1. *Endorses* the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development,[1] as an important input for the continuation of the process as it provides the framework and reference for the scope, agenda and form of the final event of the high-level international intergovernmental consideration of financing for development, as well as the preparatory process;

2. *Decides* to convene a high-level intergovernmental event of political decision makers, at least at the ministerial level, on financing for development, in the context of paragraph 20 of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development, to be held in the year 2001;

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 28* (A/54/28).

99-39217 (E) 151299

3. *Decides* that the high-level intergovernmental event for the year 2001 will address national, international and systemic issues relating to financing for development in a holistic manner in the context of globalization and interdependence. By so doing, the event will also address development through the perspective of finance. Within this overall context, the event should also address the mobilization of financial resources for the full implementation of the outcome of major conferences and summits organized during the 1990s by the United Nations and of the Agenda for Development,[2] in particular for poverty eradication;

4. *Reiterates*, as identified in the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development, that both the preparatory process and the high-level intergovernmental event should involve the participation of all relevant stakeholders;

5. *Decides* to establish an intergovernmental Preparatory Committee open-ended to all States to carry out the substantive preparations for the high-level intergovernmental event;

6. *Further decides* that the Preparatory Committee, at its resumed organizational session, based on the results of the consultations with all relevant stakeholders, in a flexible manner, should consider innovative ways and mechanisms to facilitate the active involvement of all relevant stakeholders in both the preparatory process and the high-level intergovernmental event;

7. *Requests* the Secretary-General, in consultation with Member States, including within the context of paragraphs 20 and 21 of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development and paragraphs 17 and 18 of Economic and Social Council resolution 1999/51, to initiate as soon as possible preliminary consultations with all relevant stakeholders, in particular the World Bank, the International Monetary Fund and the World Trade Organization, on the potential modalities of their participation in both the substantive preparatory process and the high-level intergovernmental event, and also requests the Secretary-General to provide the results of these consultations to the Preparatory Committee for consideration at its first organizational session;

8. *Also decides* to constitute a Bureau of the Preparatory Committee of representatives of Member States to the United Nations of 15 members with equitable geographical representation, to be presided over by two Co-Chairs;

9. *Further decides* that the first organizational session of the Preparatory Committee should be held as soon as possible and no later than the end of January 2000 to elect the Bureau, and in this regard requests the President of the General Assembly to begin consultations with Member States as soon as possible;

10. *Requests* the Bureau, including within the context of paragraphs 20 and 21 of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development and paragraphs 17 and 18 of Economic and Social Council resolution 1999/51, and with the further assistance of the Secretary-General, to continue consultations with all relevant stakeholders, on the modalities of their participation, including the possibility of creating a joint task force, in both the substantive preparatory process and the high-level intergovernmental event, and also requests the Bureau to submit proposals to the Preparatory Committee at its resumed organizational session on the modalities of participation of all relevant stakeholders;

[2] Resolution 51/240, annex

11. *Decides* that the resumed organizational session of the Preparatory Committee will be held as soon as possible and no later than March 2000 to consider the following, on the basis of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development and on the proposals on modalities to be submitted by the Bureau, taking into account the outcomes of the Secretary-General's consultations:

(a) The form of the final event, including the possibility of a summit, international conference, special session of the General Assembly or other high-level international intergovernmental forum on financing for development;

(b) The venue of the final event;

(c) The timing, duration and format of the final event;

(d) Clarification of the agenda;

(e) Modalities for the participation of institutional stakeholders in both the preparatory process and the high-level intergovernmental event, notably:

(i) The World Bank and the International Monetary Fund, as well as, in the case of the World Trade Organization, at the secretariat level and including member and observer States;

(ii) The United Nations Conference on Trade and Development and the regional commissions;

(f) Modalities for the participation of other stakeholders, notably non-governmental organizations and the private sector, in both the preparatory process and high-level intergovernmental event;

(g) The programme of work of the Preparatory Committee;

12. *Also decides* that the first substantive session of the Preparatory Committee should be held in May 2000;

13. *Invites* Member States to consider sending experts to participate in the preparatory process, and encourages bilateral and multilateral donors to facilitate the participation of developing countries in both the preparatory process and the high-level intergovernmental event;

14. *Calls upon* the relevant entities of the United Nations system, including the United Nations Conference on Trade and Development and the regional commissions, as well as the regional development banks and all other relevant stakeholders, to provide inputs for consideration by the preparatory process;

15. *Requests* the relevant entities of the United Nations system, in accordance with their respective mandates, to take into account the schedule of the Preparatory Committee and meetings of the regional commissions, in assisting countries, in particular developing countries and countries with economies in transition, to prepare for the discussion on financing for development;

16. *Requests* the United Nations Conference on Trade and Development to take into account the schedule of the Preparatory Committee and meetings of the regional commissions, in assisting developing countries and countries with economies in transition to prepare for the discussion on financing for development;

17. *Requests* the Secretary-General, in close consultation with all Member States, to provide the Preparatory Committee and the high-level intergovernmental event with a secretariat commensurate with the level of the event, with adequate staff and other resources, invites the Secretary-General in this context to explore, in consultation with all relevant

institutional stakeholders, the possibility of utilizing staff in this secretariat from these stakeholders, as appropriate, and also requests the Secretary-General to make proposals in this regard to the Preparatory Committee at its resumed organizational session in accordance with the rules and procedures of the United Nations;

18. *Further requests* the Secretary-General to report to the General Assembly at its fifty-fifth session on the implementation of the present resolution and on the overall work undertaken under the high-level international intergovernmental consideration of financing for development;

19. *Decides* to include in the provisional agenda of its fifty-fifth session an item entitled "High-level international intergovernmental consideration of financing for development".

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Fifty-fourth session
Second Committee
Agenda item 104
Globalization and interdependence

Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Giovanni Brauzzi (Italy), on the basis of informal consultations held on draft resolution A/C.2/54/L.19

The role of the United Nations in promoting development in the context of globalization and interdependence

The General Assembly,

Recalling its resolution 53/169 of 15 December 1998,

Recognizing the challenges and opportunities of globalization and interdependence,

Expressing serious concern over the increasing risks of marginalization of a large number of developing countries from the globalization process, including in the finance, trade and technology sectors, and the additional vulnerability of those developing countries which are in the process of integrating into the world economy, resulting particularly from the volatility of short-term capital flows and the accentuation of income disparities within and among countries,

Recognizing that globalization and interdependence are opening new opportunities through trade, investment and capital flows, and advancements in technology, including information technology, for the growth of the world economy, for development and for the improvement of living standards around the world,

Emphasizing that the international systems dealing with development, finance, trade and transfer of technology should further address the negative impacts of globalization on developing countries,

Expressing grave concern over the generally widening technological gap between the developed and developing countries, particularly in the area of information and communication technology, which is shaping the contours of globalization,

Mindful, in the process of trade liberalization, of the diminution of trade preferential margins for developing countries, particularly the least developed countries and small island

99-39223 (E) 151299

developing States, and of the need for countries to take measures, as appropriate, in accordance with the rules of the World Trade Organization, to address that diminution with a view to offsetting it,

Underlining the need to continue work on a wide range of reforms to create a strengthened international financial system,

Recognizing the importance of appropriate policy responses at the national level by all countries to the challenges of globalization, in particular by pursuing sound macroeconomic and social policies, noting the need for support from the international community for the efforts, in particular of the least developed countries, to improve their institutional and management capacities, and also recognizing that all countries should pursue policies conducive to economic growth and to promoting a favourable global economic environment,

Underlining the importance of promoting the integration of developing countries into the world economy in order to enable them to take the fullest possible advantage of the trading opportunities arising from globalization and liberalization,

Underscoring the urgent need to mitigate the negative consequences of globalization and interdependence for all developing countries, including landlocked developing countries and small island developing States and, in particular, African countries and the least developed countries,

Convinced of the need, in the context of globalization and interdependence, to develop and implement policies to promote equity, transparency and inclusion, with the goal of promoting development, particularly of developing countries,

Reiterating that the United Nations is in a unique position, as a universal forum, to achieve international cooperation in addressing the challenges of promoting development in the context of globalization and interdependence,

Convinced that the United Nations has a key role in fostering greater coherence, complementarity and coordination in addressing economic and development issues at the global level,

Noting the report of the Secretary-General on the role of the United Nations in promoting development in the context of globalization and interdependence,[1]

Noting also the *Human Development Report, 1999*,[2] which focuses on globalization with a human face,

Taking note, in the context of globalization and interdependence, of the ongoing work of the Commonwealth Secretariat/World Bank Joint Task Force on Small States,

Noting with appreciation that the United Nations Conference on Trade and Development, at its tenth session, to be held in Bangkok in February 2000, will focus on "Development strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people",

Welcoming the decision of the Economic and Social Council to devote the high-level segment of its substantive session of 2000 to the theme "Development and international

[1] A/54/358.

[2] New York, Oxford University Press, 1999.

cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy",[3]

1. *Reaffirms* that the United Nations has a central role in promoting international cooperation for development and in promoting greater policy coherence on global development issues, including in the context of globalization and interdependence;

2. *Strongly stresses* that the United Nations, the Bretton Woods institutions and the World Trade Organization should intensify their collaboration, as appropriate, in promoting policy coherence, complementarity and coordination on economic, financial, trade and development issues at the global level, which should aim at optimizing the benefits and minimizing the negative consequences of globalization, liberalization and interdependence, taking into account the specific vulnerabilities, concerns and needs of developing countries;

3. *Calls* for increased international cooperation to address the challenges of globalization through the enhanced participation of developing countries in the international economic policy decision-making process; integrated consideration of trade, finance, technology transfer and development issues by the relevant international institutions; and continuation of a wide range of reforms of the international financial system;

4. *Calls upon* all countries, in particular the major developed economies, to enhance coherence among their financial, trade and development cooperation policies, with a view to creating an enabling international economic environment supportive of development, in particular of developing countries;

5. *Stresses* the importance, at the national level, of maintaining sound macroeconomic policies and developing effective institutional and regulatory frameworks and human resources, so as to realize the mutually reinforcing objectives of poverty eradication and development, including through national poverty reduction strategies and enhanced policy coherence;

6. *Urges* the international community to promote international development cooperation aimed at enhancing the participation of developing countries in the globalizing world economy;

7. *Also urges* the international community to adopt policies that promote equity in finance, trade and transfer of technology and address the problems of developing countries in the areas of external debt and transfer of resources, financial vulnerability, declining terms of trade and market access;

8. *Welcomes* the efforts of the United Nations Conference on Trade and Development and the International Trade Centre and other multilateral and bilateral efforts to help developing countries, including landlocked developing countries and small island developing States and, in particular, African countries and the least developed countries, in addressing their specific concerns within the globalizing economy, in particular through technology-related assistance in the fields of trade policy, improvement of trade efficiency and policies and trade in services, and in electronic commerce;

9. *Emphasizes* the importance of recognizing and addressing the specific concerns of countries with economies in transition so as to help them to benefit from globalization with a view to their full integration into the world economy;

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[3] Economic and Social Council decision 1999/281.

[10.* *Strongly underlines* the importance of an enabling environment for investment, in particular for foreign direct investment, of market access, governance through efficient, transparent and accountable public service and administration, increase in the volume and effectiveness of official development assistance, tackling unsustainable debt burdens, including debt conversion measures, flexibility in the implementation of the Enhanced HIPC Initiative and, as recommended in the April 1998 report of the Secretary-General, support for regional cooperation and integration, as priority areas that need to be addressed in order to achieve sustainable development in African countries and to encourage the participation of all African countries in the global economy;]

11. *Emphasizes* the technology-led dimension of globalization and the importance of facilitating access to and transfer of information and communication technology and corresponding knowledge, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights, as well as the special needs of developing countries, to enable them to benefit from globalization by full and effective integration in the emerging global information network;

12. *Strongly emphasizes* the need for the regional and national capacity-building programmes of the United Nations system, the regional commissions, United Nations funds and programmes and the specialized agencies to have a strong component oriented towards assisting developing countries as well as countries with economies in transition, in the area of information and communication technology;

13. *Requests* the Secretary-General to prepare, in close collaboration with the United Nations Conference on Trade and Development and in consultation with other relevant organizations, a comprehensive report containing action-oriented recommendations on further promoting the role of the United Nations system in the transfer of information and communication technology to developing countries and also on its role in promoting policy coherence, complementarity and coordination on economic, financial, trade, technology and development issues at the global level in order to optimize the benefits of globalization;

14. *Also requests* the Secretary-General to convene, if possible, from extrabudgetary resources, a meeting of a high-level panel of experts on information and communication technology, taking into account equitable geographical representation and in consultation with Member States, to prepare a report, to be made available in early June 2000, containing recommendations on the role of the United Nations in enhancing the integration of developing countries in the emerging global information network; facilitating access for developing countries to information and communication technology, including on preferential and concessional terms, where appropriate, and promoting the participation of developing countries, including through infrastructure facilities, in knowledge-intensive sectors of the global economy;

15. *Invites* countries, and other relevant entities, in a position to do so, to provide the necessary extrabudgetary resources for the convening of the high-level panel;

16. *Decides* to include in the agenda of its fifty-fifth session the item entitled "Globalization and interdependence".

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* No agreement reached on this paragraph

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Portugal:* amendment to draft resolution A/C.2/54/L.76

The role of the United Nations in promoting development in the context of globalization and interdependence

Replace operative paragraph 10 with the following text:

10. *Strongly underlines* the importance of an enabling environment for investment, in particular foreign direct investment, market access, good governance, an increase in the volume and effectiveness of official development assistance, the tackling of unsustainable debt burdens, including through debt conversion measures, flexibility in the Heavily Indebted Poor Countries Debt Initiative and support for regional cooperation and integration as priority areas that need to be addressed in order to achieve sustainable development in all African countries and to encourage the participation of all African countries in the global economy, as recommended in the report of the Secretary-General.

* On behalf of the States Members of the United Nations that are members of the European Union.

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Australia: amendment to draft resolution A/C.2/54/L.76

The role of the United Nations in promoting development in the context of globalization and interdependence

Replace operative paragraph 10 with the following text:

10. *Strongly underlines* the importance of an enabling environment for investment, in particular for foreign direct investment, and of market access, effective governance with efficient, participatory, transparent and accountable public service, policies and administration, an increase in the volume and effectiveness of official development assistance, tackling unsustainable debt burdens, including debt conversion measures and flexibility in the implementation of the enhanced Heavily Indebted Poor Countries Debt Initiative and, in this regard, as recommended in the report of the Secretary-General, support for regional cooperation and integration as priority areas that need to be addressed in order to achieve sustainable development in African countries and to encourage the participation of all African countries in the global economy.

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